

[General publications]

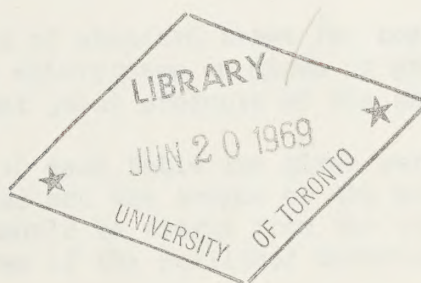
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COST OF MILK PRODUCTION IN CANADA

A compendium of data from studies
by various agencies since 1965

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PREFACE

The following is a compendium of data on the cost of producing milk in Canada. In addition to published reports on studies by various agencies, mainly of provincial groups, some unpublished material has been assembled by the Regional Offices of the Economics Branch at Truro, Regina and Vancouver.

This report was prepared at the request of the Working Party on Dairy Industry Analysis, a group brought into being by the Minister of Agriculture at the request of the industry. The attention of the users of this compendium should be drawn to the following facts:

- (a) Wide divergencies in the meaning or definition of production cost as held by the different agencies.
- (b) The probable mistakes in double counting and omissions in cost determination in a few studies.
- (c) The lack of comprehensive and uniform systematic cost studies in a majority of the provinces.
- (d) The universal defects of cost studies in using extremely small and biased samples of the most progressive and above-the-average farms.
- (e) The inevitable large margin of errors in:
 - (i) over or under valuation of land, buildings, equipment, livestock, pastures and home grown feedstuffs;
 - (ii) over or under estimation of the time and value of the operator's and family labor;
 - (iii) arbitrariness in the selection of interest and depreciation rates; and
 - (iv) the lack of standard bases for cost allocation to the various enterprises on mixed or general farms and to the different joint products of the same enterprise.

Detailed footnotes to each table are given pertaining to some special feature of the data presented and the source of the material. Permission to cite the unpublished data should be sought from the original author and the original source must be given if the published materials are used.

Acknowledgment is made of the assistance of provincial officials in providing the basic data and to various members of the Economics Branch in collecting and compiling these data.

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SUMMARY TABLE.- COST OF MILK PRODUCTION IN CANADA IN RECENT YEARS

Province and Study Area	Year	No. of Farms in Sample	Cost of Milk
			Production per Cwt. Dollars
Newfoundland: St. John's Area	1966-67	19	9.55
Prince Edward Island	1967	7	5.05
Nova Scotia:	Central	9	5.43
	Eastern	23	5.07 ^{1/2}
	West and Central	43	3.68 ^{1/2}
	West and Central	20	5.90
Quebec	1967-68	204	1.85-2.40 ^{2/3}
Ontario:			
Southern (Processed milk)	1966-67	56	3.72-3.74 ^{3/4}
Western (Processed milk)	1966-67	70	3.64-3.68 ^{3/4}
Central (Processed milk)	1966-67	23	4.30-4.33 ^{3/4}
Eastern (Processed milk)	1966-67	107	3.69-3.79 ^{3/4}
Southern (Fluid milk)	1966-67	83	3.94-4.2 ^{3/4}
Western (Fluid milk)	1966-67	107	3.86-4.2 ^{3/4}
Central (Fluid milk)	1966-67	123	4.06-4.18 ^{3/4}
Eastern (Fluid milk)	1966-67	62	3.78-3.90 ^{3/4}
Northern (Fluid milk)	1966-67	72	4.62-4.82 ^{3/4}
Southern (Processed milk)	1965-66	71	3.53-3.58 ^{3/4}
Western (Processed milk)	1965-66	60	3.32-3.41 ^{3/4}
Central (Processed milk)	1965-66	28	3.63-3.81 ^{3/4}
Eastern (Processed milk)	1965-66	94	3.92-4.06 ^{3/4}
Southern (Fluid milk)	1965-66	105	3.92-3.98 ^{3/4}
Western (Fluid milk)	1965-66	106	3.50-3.60 ^{3/4}
Central (Fluid milk)	1965-66	148	3.76-3.88 ^{3/4}
Eastern (Fluid milk)	1965-66	68	3.84-4.03 ^{3/4}
Northern (Fluid milk)	1965-66	87	4.63-4.80 ^{3/4}
All zones	1964-65	1,183	3.57 ^{3/4}
All zones	1965-66	1,073	3.82 ^{3/4}
All zones (Preliminary)	1966-67	767	3.72 ^{3/4}
Manitoba	1965	5	(412.99 per cow) ^{1/4}
Saskatchewan: Regina Area	1965	7	4.83 (4.41-5.70)
Alberta: Edmonton Milkshed	1963-64	28	3.56 ^{4/4}
	1964-65	25	3.95 ^{4/4}
	1965-66	24	4.30 ^{4/4}
	1966-67	32	4.14 ^{4/4}

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SUMMARY TABLE.- COST OF MILK PRODUCTION IN CANADA IN RECENT YEARS (continued)

Province and Study Area		Year	No. of Farms in Sample	Cost of Milk Production per Cwt. Dollars
Alberta: Calgary Milkshed		1963-64	28	3.76 ⁴ / ₁
		1964-65	35	4.15 ⁴ / ₁
		1965-66	27	4.35 ⁴ / ₁
		1966-67	29	4.04 ⁴ / ₁
British Columbia:	Vancouver	1965	⁵ / ₁	4.30 ⁵ / ₁
	Vancouver Island	1965	⁵ / ₁	5.10 ⁵ / ₁
	Kamloops-Okanagan	1965	⁵ / ₁	4.35 ⁵ / ₁
	Cariboo and Central B.C.	1965	⁵ / ₁	4.10 ⁵ / ₁
	West Kootenay	1965	⁵ / ₁	4.50 ⁵ / ₁
	Peace River North	1965	⁵ / ₁	4.80 ⁵ / ₁
	Peace River South	1965	⁵ / ₁	5.20 ⁵ / ₁
	Smithers	1965	⁵ / ₁	4.00 ⁵ / ₁
	East Kootenay	1965	⁵ / ₁	4.35 ⁵ / ₁
British Columbia:				
Fraser Valley:	A	1966	3	4.65 ¹ / ₁
	B	1966	19	3.49 ¹ / ₁
	C	1966	25	3.77 ¹ / ₁
	D	1966	4	3.02 ¹ / ₁
Vancouver Island:	B	1966	14	5.03-5.06 ¹ / ₁
	C	1966	4	3.25-4.54 ¹ / ₁
	D	1966	4	3.61 ¹ / ₁
Okanagan-Creston:	B	1966	17	4.39 ¹ / ₁
	C	1966	7	4.11 ¹ / ₁
	D	1966	4	3.02 ¹ / ₁
Central:	B	1966	8	4.09 ¹ / ₁
	C	1966	3	3.84 ¹ / ₁
	D	1966	3	2.59 ¹ / ₁
Fraser Valley:	A	1965	6	3.86 ¹ / ₁
	B	1965	21	4.29 ¹ / ₁
	C	1965	17	4.65 ¹ / ₁
Vancouver Island:	A	1965	5	4.68 ¹ / ₁
	B	1965	15	5.22 ¹ / ₁
	C	1965	3	5.25 ¹ / ₁
Okanagan-Creston:	B	1965	17	4.46 ¹ / ₁
	C	1965	7	4.23 ¹ / ₁
Central:	B	1965	5	4.22 ¹ / ₁
	C	1965	3	4.35 ¹ / ₁

For footnotes, see next page.

SUMMARY TABLE.- COST OF MILK PRODUCTION IN CANADA, IN RECENT YEARS

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- A: Group of farms with investment below \$50,000.
B: Group of farms with investment between \$50,000 and \$99,999.
C: Group of farms with investment of \$100,000 and above.
D: Top 10 per cent of farms with highest net family farm income.
- 1/ Excluding operator's labor and management cost.
2/ Range of average feed costs only between various groups of farms, classified on the basis of total milk output and breeds of cattle.
3/ The first figure was derived from average cost per cow and the second figure from total cost of farm production.
4/ In the Edmonton study, herd credit includes also milk fed to the calves. Unless this credit has been simultaneously deducted from the sale value of calves, this procedure results in double counting.
5/ Number of farms in sample as well as the content of production cost were not described.

TABLE 1.- ST. JOHN'S AREA, NEWFOUNDLAND: COST OF MILK PRODUCTION, 19 DAIRY ENTERPRISES, YEAR ENDING MAY 31, 1967

Item	Average
19 Enterprises	
<u>Farm Organization:</u>	
Land area, acres	114
Improved land, acres	74
Other land, acres	40
Total investment, dollars	71,187
No. of milk cows	29
Milk production per cow, lbs.	7,918
<u>Cost of Production per Enterprise:</u>	
	dollars per cent
Feed: Purchased	6,993 31.6
Home grown	3,238 14.6
Pasture	1,072 4.8
Total Feed	11,303 51.0
Use of Buildings	911 4.1
Use of Equipment	400 1.8
Car, truck, tractor	1,132 5.1
General dairy	1,462 6.6
Labor	6,395 28.9
Interest on dairy livestock	557 2.5
Gross production cost	22,160 100.0
Livestock credits	529
Net cost of producing milk	21,631
Cost of production per cwt. milk	9.55

Source: G.C. Retson, and W.L. Hanlon, Dairy Farming in the St. John's Area of Newfoundland. (Unpublished), Atlantic Provinces Regional Office, Economics Branch, Canada Department of Agriculture, Truro, Nova Scotia, p. 9.

TABLE 2.- PRINCE EDWARD ISLAND: INCOME AND COST OF 7 PROCESSED MILK AND CREAM FARMS, 1967

Item	Average 7 Farms
<u>Farm Organization:</u>	
Improved land, acres	167
Other land in farm, acres	74
Capital investment per farm, dollars	56,651
Number of cows	26
Milk produced per cow, lbs.	8,499
Man labour per cow equivalent, hours	105
Hired labour per farm, man-equivalents	0.12
Operator and family labour, man-equivalents	2.24
<u>Cash Receipts:</u>	
	dollars
Milk and cream	6,476
Dairy subsidy	2,063
Livestock	3,951
Livestock products	1,780
Crop sales	721
Other sales	299
Total cash receipts	15,290
<u>Inventory Increase</u>	1,470
<u>Total Gross Income</u>	16,760
<u>Cash Expenses:</u>	
Food	2,926
Milk hauling	433
Livestock purchases	1,713
Fertilizer, seed, etc.	1,450
Tractor, truck, car	692
Insurance, taxes, utilities	354
Repairs, buildings and equipment	211
Misc. dairy expenses	419
Interest payments	491
Other cash expenses	1,487
Total cash expenses	10,176
<u>Inventory Decrease</u>	373
<u>Total Farm Expenses</u>	10,549
<u>Cost of milk production:</u>	
Total farm expenses	10,549
Interest on farmers' equity	2,335
Operator and family labor allowance	5,976
Total production cost	18,860
Less income other than milk	-8,221
Net cost of producing milk	10,639
Cost per cwt. milk	5.05

Source: Compiled by the Atlantic Provinces Regional Office, Economics Branch, Canada Department of Agriculture, Truro, Nova Scotia.

TABLE 3 .- NOVA SCOTIA: RECEIPTS AND COST OF PRODUCING MILK, 9 FARMS IN CENTRAL N.S. IN 1965 AND 20 FARMS IN CENTRAL AND WESTERN N.S. IN 1967

Study Area Year of study	Central 1965	Central and Western 1967
No. of farms on record	9	20
No. of cows per farm	32	41
Milk sales per farm: pounds	304,870	377,841
dollars	15,092	20,167
Milk sales per cows: pounds	8,595	9,127
Receipts per cwt. milk, dollars	4.95	5.34
<u>Expenses:</u>		
(1) <u>Cash Expenses</u>		
Livestock Purchases, dollars	169	1,078
Feed purchases, dollars	4,532	6,017
Milk hauling, dollars	1,208	1,627
Crop expenses, dollars	2,024	2,065
Labor hired, dollars	824	1,161
Municipal taxes, dollars	526	504
Machinery and farm power, dollars	4,692	1,390
Building improvement and repairs, dollars	1,665	-
Utilities, dollars	363	416
Dairy supplies, dollars	-	218
Breeding and veterinary, dollars	324	405
Interest payment, dollars	-	1,215
Other cash expenses, dollars	881	1,581
(2) Depreciation: Buildings, dollars	-	675
Machinery, dollars	-	1,692
(3) Interest on farmer's investment, dollars	1,998	2,188
(4) Operator and family labor allowance, dollars	3,444	3,650
(5) Total gross cost of producing milk, dollars	22,650	25,882
Less: (1) Crop sales, dollars	108	0
(2) Livestock sales, dollars	1,768	1,841
(3) Other sales, dollars	930	0
(4) Inventory increase, dollars	3,301	1,766
Net cost of producing milk: per farm, dollars	16,543	22,275
per cwt. milk, dollars	5.43	5.90

Source: Calculated in the Atlantic Provinces Regional Office of Economics Branch, Canada Department of Agriculture, Truro, on the basis of data secured from the Farm Management Division, Nova Scotia Department of Agriculture and Marketing.

TABLE 4.- NOVA SCOTIA: COST OF DAIRY PRODUCTION, 1966

Study Area	Eastern	Western and Central
No. of farms on record	23	43
No. of cows per farm	22.2	27.4
Pounds of milk per farm, lbs.	151,195	224,984
per cow, lbs.	6,811	7,811
Receipts from milk sales per farm, \$	9,683	11,675
per cwt. \$	6.40	5.19
Cost ^{1/} of milk production per cwt.:		
(1) Feeds ^{2/}	dollars	
(2) Dairy stock	dollars	
(3) Other dairy cost	dollars	
(4) General misc.	dollars	
(5) Marketing	dollars	
Net cost per cwt. milk	dollars	
Returns to operator's labor and management per cwt. milk, dollars		

1/ Cost of milk production represents total farm cost (excluding operator's labor and management) less income from crop and other livestock product sales.
2/ Feed cost equals to crop cost less crop sales plus cash feed purchases.

Source: Dairy Farm Business Analysis for Eastern and Western and Central Nova Scotia, N.S. Department of Agriculture and Marketing, Truro, 1966, pp. 10(a) and 11(b).

TABLE 5.- QUEBEC: INPUT/OUTPUT ANALYSIS, BY BREED OF ANIMAL, 204 DAIRY ENTERPRISES WHICH COMPLETED ONE WHOLE YEAR'S PROGRAM WITH THE DAIRY HERD ANALYSIS SERVICE, AS OF JULY 1st, 1968

Name of Breed	Size of Animal	Milk Production per cow	Margin: Value of milk less Feed cost per cow	Hour of Labor per cwt. Milk	Feed Cost per cwt. milk
	lbs.	lbs.	dollars	hours	dollars
Holstein	1,160	10,426	309	0.8	1.86
Ayrshire	1,040	8,638	253	1.0	1.87
Jersey	830	7,203	250	1.7	2.41

Source: Peter Hamilton, Two Years and 24,000 cows Later, MacDonald Journal, Vol. 29, No. 10, Oct., 1968. Beaconsfield, P. O. pp. 6-7.

TABLE 6.- QUEBEC: INPUT/OUTPUT ANALYSIS, BY LEVEL OF PRODUCTION PER COW, 204 DAIRY ENTERPRISES, WHICH COMPLETED ONE WHOLE YEAR'S PROGRAM WITH THE DAIRY HERD ANALYSIS SERVICE, AS OF JULY 1st, 1968

Groups of Herds, According to Level of Milk Production	Average Milk : Production : Per Cow : lbs.	Amount of Meal : Fed Per Cow : lbs.	Margin: : of Milk Less : Feed cost per cow : dollars	Value : Labor per : cwt. Milk : hours	Feed cost : per cwt. : Milk : dollars
Low 1/5	7,448	2,150	218	1.20	2.07
Medium Low 1/5	8,998	2,370	269	1.02	1.90
Medium 1/5	10,086	2,980	295	0.82	1.88
Medium High 1/5	11,246	3,450	339	0.73	1.86
High 1/5	12,530	3,900	382	0.66	1.85

Source: Peter Hamilton, Two Years and 24,000 Cows Later, MacDonald Journal, Vol. 29, No. 10, Oct., 1968. Beaconsfield, P.Q. pp. 6-7.

TABLE 7.- ONTARIO, FIVE ZONES: INPUT/OUTPUT ANALYSIS OF DAIRY ENTERPRISES
(PROCESSED MILK), FOR THE YEAR, MAY 1st, 1966 TO APRIL 30th, 1967

Zone	I	II	III	IV	V
(No. of herds on record)	Southern (56)	Western (70)	Central (23)	Eastern (107)	
<u>Output</u>					
Milk Production per Farm					
(Processed Milk), cwt.	2,961	2,964	2,265	2,726	
Milk Production per cow,					
(Processed Milk), lbs.	10,629	10,367	9,109	9,654	
Butter Fat Production per cow,					
lbs.	378	3,794	325	536	
<u>Input</u>					
(1) <u>Feed per cow</u>					
Grain and Supplements, lbs.	3,480	3,250	2,887	2,536	
Hay equivalents, tons	6.0	5.3	6.0	5.3	
Pasture, adjusted acres	1.3	1.7	1.4	1.9	
Income over Feed cost, dollars	328	343	243	266	
(2) <u>Man Labor</u>					
Hours per cow	86	84	82	86	
Hours per cwt. milk	0.8	0.8	0.9	0.9	
(3) <u>Capital Use</u>					
Dairy Investment ^{1/} , dollars	244	239	191	222	
Cwts. Milk Sold per \$100 Investment	12	12	12	12	
Income per \$100 Investment, dollars	69	73	66	66	
<u>Size of Herd per Farm</u>					
No. of Milk Cows	28	29	25	29	

^{1/} Excluding land and non-dairy buildings.

Source: Dairy Herd Improvement Association, Processed Milk Herds, Financial Summary, 1967.

TABLE 8 -- ONTARIO, FIVE ZONES: INCOME AND COST OF DAIRY PRODUCTION PER COW (PROCESSED MILK), FOR THE YEAR, MAY 1st, 1966 TO APRIL 30th, 1967

Zone	I	II	III	IV
(No. of herds on record)	Southern (56)	Western (70)	Central (23)	Eastern (107)
- dollars -				
<u>INCOME</u>				
Milk Sales and Milk Used				
on Farm	482	475	398	406
Livestock Credits	118	129	103	98
Gross Income	600	604	501	504
<u>EXPENSES</u>				
A. <u>Direct Operating Expense</u>				
Grain and Supplements	113	105	95	92
Roughage	117	110	130	114
Pasture	36	45	29	30
Total Feed	266	260	254	236
Other Dairy (Veterinary, Milker Supplies, etc.)	24	22	20	17
Marketing	29	28	25	23
Total Direct Operating Expense	319	310	299	276
Margin over Operating Expense	281	294	202	228
B. <u>Fixed Expense</u>				
Labor	104	112	110	102
Depreciation	25	25	21	22
Interest	44	41	38	38
Dairy General (Taxes, Insurance, etc.)	21	18	27	16
Total Fixed Expense	194	196	196	178
Total Expense (Operating plus Fixed)	513	506	495	454
Returns to Risk and Management	87	98	6	50
Gross cost per cwt. milk	4.83	4.88	5.43	4.70
Net cost per cwt. milk	3.72	3.64	4.30	3.69

- 1/ Gross cost per cwt. milk is calculated by dividing total expenses by total milk production.
- 2/ Net cost per cwt. milk is calculated by dividing the difference between the total expenses and herd credit by total milk production.

Source: Dairy Herd Improvement Association, Processed Milk Herds, Financial Summary, 1967.

TABLE 9.- ONTARIO, FIVE ZONES: INCOME AND COST OF DAIRY PRODUCTION, PER PROCESSED MILK HERD, FOR THE YEAR, MAY 1st, 1966 TO APRIL 30th, 1967

Zone	I	II	III	IV
(No. of herds on records)	Southern (56)	Western (70)	Central (23)	Eastern (107)
- dollars -				
<u>INCOME</u>				
Milk Sales and Milk Used on Farm	13,499	13,765	9,963	11,766
Livestock Credits	3,297	3,757	2,577	2,840
Gross Income	16,796	17,522	12,540	14,606
<u>EXPENSES</u>				
A. <u>Direct Operating Expense</u>				
Grain and Supplements	3,157	3,041	2,378	2,655
Roughage	3,274	3,206	3,260	3,309
Pasture	1,028	1,303	718	887
Total Feed	7,459	7,550	6,356	6,851
Other Dairy (Veterinary, Milker Supplies, etc.)	656	623	494	493
Marketing	818	813	616	651
Total Direct Operating Expense	8,933	8,986	7,466	7,995
Margin over Operating Expense	7,863	8,536	5,074	6,611
B. <u>Fixed Expense</u>				
Labor	2,903	3,249	2,753	2,960
Depreciation	712	716	529	637
Interest	1,218	1,197	954	1,110
Dairy General (Taxes, Insurance, etc.)	593	520	676	463
Total Fixed Expense	5,426	5,682	4,912	5,170
Total Expense (Operating plus Fixed)	14,359	14,668	12,378	13,165
Returns to Risk and Management	2,437	2,854	162	1,441
Gross Cost per Cwt. Milk ¹	4.85	4.95	5.46	4.83
Net Cost per Cwt. Milk ²	3.74	3.68	4.33	3.79

- 1/ Gross cost per cwt. milk is calculated by dividing total expenses by total milk production.
- 2/ Net cost per cwt. milk is calculated by dividing the difference between the total expenses and herd credit by total milk production.

Source: Dairy Herd Improvement Association, Processed Milk Herds, Financial Summary, 1967.

TABLE 10.- ONTARIO, FIVE ZONES: INPUT/OUTPUT ANALYSIS OF DAIRY ENTERPRISES (FLUID MILK), FOR THE YEAR MAY 1st, 1966 TO APRIL 30th, 1967

Zone	I	II	III	IV	V
(No. of herds on record)	Southern (83)	Western (107)	Central (123)	Eastern (62)	Northern (72)
<u>Output</u>					
Milk Production per Farm (Fluid Milk), cwts.	3,857	3,387	3,637	3,707	2,893
Milk Production per Cow, (Fluid Milk), lbs.	10,671	10,667	10,702	10,050	9,150
Butter Fat Production per cow, lbs.	392	388	387	358	319
<u>Input</u>					
(1) <u>Feed per cow</u>					
Grain and supplements, lbs.	3,467	3,734	3,608	2,768	2,569
Hay equivalents, tons	5.6	5.4	5.5	4.8	5.4
Pasture, adjusted acres	0.9	1.2	1.4	1.5	2.2
Income over Feed cost, dollars	398	403	387	364	372
(2) <u>Man Power</u>					
Hours per cow	80	80	89	81	95
Hours per cwt. milk	0.7	0.7	0.8	0.8	1.0
(3) <u>Capital Use</u>					
Dairy Investment ^{1/} , dollars	281	257	285	308	215
Cwts. Milk sold per \$100 Investment	14	13	13	12	13
Income per \$100 Investment, dollars	86	86	81	73	93
<u>Size of Herd per Farm</u>					
No. of Milk Cows	37	33	35	38	33

^{1/} Excluding land and non-dairy buildings.

Source: Dairy Herd Improvement Association, Fluid Milk Herds, Financial Summary, 1967.

TABLE 11.- ONTARIO, FIVE ZONES: INCOME AND COST OF DAIRY PRODUCTION PER COW (FLUID MILK), FOR THE YEAR, MAY 1st, 1966 TO APRIL 30th, 1967

Zone	I	II	III	IV	V
(No. of herds on record)	Southern (83)	Western (107)	Central (123)	Eastern (62)	Northern (72)
- dollars -					
<u>INCOME</u>					
Milk Sales and Milk Used					
on Farm	573	559	556	510	541
Livestock Credits	80	107	100	80	61
Gross Income	653	666	656	590	602
<u>EXPENSES</u>					
A. <u>Direct Operating Expense</u>					
Grain and Supplements	115	117	120	101	86
Roughage	110	112	115	98	122
Pasture	28	37	32	28	19
Total Feed	253	266	267	227	227
Other Dairy (Veterinary, Milker Supplies, etc.)	22	24	24	22	20
Marketing	50	45	48	35	45
Total Direct Operating Expense	325	335	339	284	292
Margin over Operating Expense	328	331	317	306	310
B. <u>Fixed Expense</u>					
Labor	92	106	113	88	123
Depreciation	25	22	22	24	21
Interest	38	39	41	41	32
Dairy General (Taxes, Insurance, etc.)	20	17	19	23	16
Total Fixed Expense	175	184	195	176	192
Total Expense (Operating plus Fixed)	500	519	534	460	484
Returns to Risk and Management	153	147	122	130	118
Gross cost per cwt. milk ^{1/}	4.69	4.87	4.99	4.58	5.29
Net cost per cwt. milk ^{2/}	3.94	3.86	4.06	3.78	4.62

1/ Gross cost per cwt. milk is calculated by dividing total expenses by total milk production.

2/ Net cost per cwt. milk is calculated by dividing the difference between the total expenses and herd credit by total milk production.

Source: Dairy Herd Improvement Association Fluid Milk Herds, Financial Summary, 1967

TABLE 12.- ONTARIO, FIVE ZONES: INCOME AND COST OF DAIRY PRODUCTION PER FLUID MILK HERD, FOR THE YEAR, MAY 1st, 1966 TO APRIL 30th, 1967

Zone	I	II	III	IV	V
(No. of herds on record)	Southern (83)	Western (107)	Central (123)	Eastern (62)	Northern (72)
- dollars -					
INCOME					
Milk Sales and Milk Used					
on Farm	21,184	18,461	19,462	19,383	17,840
Livestock Credits	2,976	3,532	3,481	3,020	2,021
Gross Income	24,160	21,993	22,943	22,403	19,861
EXPENSES					
A. <u>Direct Operating Expense</u>					
Grain and Supplements	4,256	3,871	4,209	3,826	2,850
Roughage	4,063	3,698	4,021	3,745	4,013
Pasture	1,038	1,223	1,131	1,069	634
Total Feed	9,357	8,792	9,361	8,640	7,497
Other Dairy (Veterinary, Milker Supplies, etc.)	833	764	839	798	640
Marketing	1,834	1,499	1,665	1,329	1,484
Total Direct Operating Expense	12,024	11,055	11,865	10,767	9,621
Margin over Operating Expense	12,136	10,938	11,078	11,636	10,240
B. <u>Fixed Expense</u>					
Depreciation	3,395	3,488	3,951	3,369	4,049
Interest	938	732	766	920	694
Dairy General (Taxes, Insurance, etc.)	1,405	1,285	1,422	1,541	1,073
Total Fixed Expense	731	591	684	876	537
Total Expense (Operating plus Fixed)	6,469	6,096	6,823	6,706	6,353
Returns to Risk and Management	18,493	17,151	18,688	17,473	15,974
Gross Cost per cwt. Milk ^{1/}	5,667	4,842	4,255	4,930	3,887
Net Cost per cwt. milk ^{2/}	4.79	5.06	5.14	4.71	5.52
	4.02	4.02	4.18	3.90	4.82

1/ Gross cost per cwt. milk is calculated by dividing total expenses by total milk production.

2/ Net cost per cwt. milk is calculated by dividing the difference between the total expenses and herd credit by total milk production.

Source: Dairy Herd Improvement Association Fluid Milk Herds, Financial Summary, 1967.

TABLE 13. - ONTARIO, FIVE ZONES: INPUT/OUTPUT ANALYSIS OF DAIRY ENTERPRISES (PROCESSED MILK) FOR THE YEAR, MAY 1st, 1965 TO APRIL 30th, 1966

Zone	I	II	III	IV
(No. of herds on record)	Southern (71)	Western (60)	Central (28)	Eastern (94)
Output:				
Milk Production per Farm (processed milk), cwt.	3,097	3,025	2,308	2,351
Milk Production per cow, lbs.	10,808	10,737	10,086	9,353
Butter Fat Production per cow, lbs.	385	391	351	324
Input:				
(1) <u>Feed per Cow</u>				
Grain and Supplements, lbs.	3,248	3,302	3,049	2,576
Hay Equivalents, tons	6.8	5.3	5.8	4.9
Pasture, adjusted acres	1.3	1.8	1.7	2.2
Income over Feed Cost, dollars	254	270	200	175
(2) <u>Man Labor</u>				
Hours per cow	83	84	86	88
Hours per cwt. milk	0.8	0.8	0.8	0.9
(3) <u>Capital Use</u>				
Dairy Investment ^{1/} , dollars	22,100	22,000	17,900	17,100
Cwt. milk sold per \$100 Investment	14	14	13	14
Income per \$100 Investment, dollars	68	68	60	65
Size of Herd per Farm				
No. of Milk Cows	29	29	24	26
No. of Cow Equivalents	46	49	37	40

^{1/} Excluding land and non-dairy buildings.

Source: Dairy Herd Improvement Association, Processed Milk Herds, Financial Summary, 1966.

TABLE 14.- ONTARIO, FIVE ZONES: INCOME AND COST OF DAIRY PRODUCTION PER COW (PROCESSED MILK) FOR THE YEAR, MAY 1st, 1965 TO APRIL 30, 1966

Zone	I	II	III	IV
(No. of herds on record)	Southern (71)	Western (60)	Central (28)	Eastern (94)
- dollars -				
<u>INCOME</u>				
Milk Sales and Milk Used				
on Farm	423	414	350	345
Livestock Credits	99	105	97	80
Gross Income	522	519	447	425
<u>EXPENSES</u>				
A. <u>Direct Operating Expense</u>				
Grain and Supplements	97	96	88	95
Roughage	132	114	130	142
Pasture	38	40	31	13
Total Feed	267	250	249	251
Other Dairy (Veterinary, Milker Supplies, etc.)	20	19	17	15
Marketing	24	23	21	21
Total Direct Operating Expense	311	292	287	287
Margin over Operating Expense	211	227	160	138
B. <u>Fixed Expense</u>				
Labor	90	91	93	95
Depreciation	23	22	23	18
Interest	38	38	37	32
Dairy General (Taxes, Insurance, etc.)	19	18	23	15
Total Fixed Expense	170	169	176	160
Total Expense (Operating plus Fixed)	481	461	463	447
Returns to Risk and Management	41	58	-16	-22
Gross cost per cwt. milk ¹	4.45	4.29	4.59	4.78
Net Cost per cwt. milk ²	3.53	3.32	3.63	3.92

1/ Gross cost per cwt. milk is calculated by dividing total expenses by total milk production.

2/ Net cost per cwt. milk is calculated by dividing the difference between the total expenses and herd credit by the total milk production.

Source: Dairy Herd Improvement Association, Processed Milk Herds, Financial Summary, 1966.

TABLE 15.- ONTARIO, FIVE ZONES: INCOME AND COST OF DAIRY PRODUCTION PER PROCESSED MILK HERD, FOR THE YEAR, MAY 1st, 1965 TO APRIL 30th, 1966

Zone	I	II	III	IV
(No. of herds on record)	Southern (71)	Western (60)	Central (28)	Eastern (94)
- dollars -				
<u>INCOME</u>				
Milk Sales and Milk Used				
on Farm	12,279	12,016	8,407	8,982
Livestock Credits	2,854	3,039	2,324	2,076
Gross Income	15,133	15,055	10,731	11,058
<u>EXPENSES</u>				
A. <u>Direct Operating Expense</u>				
Grain and Supplements	2,799	2,789	2,100	2,470
Roughage	3,839	3,302	3,130	3,703
Pasture	1,094	1,152	751	343
Total Feed	7,732	7,243	5,981	6,516
Other Dairy (Veterinary, Milker				
Supplies, etc.)	569	547	407	392
Marketing	720	689	498	546
Total Direct Operating Expense	9,021	8,479	6,886	7,454
Margin over Operating Expense	6,112	6,576	3,845	3,604
B. <u>Fixed Expense</u>				
Labor	2,599	2,632	2,221	2,470
Depreciation	660	624	562	463
Interest	1,106	1,099	897	855
Dairy General (Taxes,				
Insurance, etc.)	553	535	549	386
Total Fixed Expense	4,918	4,890	4,229	4,174
Total Expense (Operating plus				
Fixed)	13,939	13,369	11,115	11,628
Returns to Risk and Management	1,194	1,686	-384	-570
Gross Cost per cwt. milk ¹	4.50	4.42	4.82	4.95
Net Cost per cwt. milk ²	3.58	3.41	3.81	4.06

1/ Gross cost per cwt. milk is calculated by dividing total expenses by total milk production.

2/ Net cost per cwt. milk is calculated by dividing the difference between the total expenses and herd credit by the total milk production.

Source: Dairy Herd Improvement Association, Processed Milk Herds, Financial Summary, 1966.

TABLE 16.- ONTARIO: FIVE ZONES, INPUT/OUTPUT ANALYSIS OF DAIRY ENTERPRISES (FLUID MILK) FOR THE YEAR, MAY 1st, 1965 TO APRIL 30th, 1966

Zone	I	II	III	IV	V
(No. of herds on record)	Southern (105)	Western (106)	Central (148)	Eastern (68)	Northern (87)
Output:					
Milk Production per Farm (Fluid Milk), cwts.	3,394	3,288	3,550	3,321	2,688
Milk Production per Cow, lbs.	10,792	11,270	10,758	10,247	9,982
Butter Fat Production per cow, lbs.	392	408	386	343	316
Input:					
(1) <u>Feed per Cow</u>					
Grain and Supplements, lbs.	3,580	3,649	3,322	2,971	2,584
Hay Equivalents, tons	5.7	5.2	5.5	4.8	5.1
Pasture, adjusted acres	1.2	1.4	1.5	1.7	2.1
Income over Feed Cost, dollars	346	385	355	294	313
(2) <u>Man Labor</u>					
Hours per cow	90	86	92	78	104
Hours per cwt. milk	0.8	0.8	0.9	0.8	1.2
(3) <u>Capital Use</u>					
Dairy Investment ^{1/} , dollars	23,100	23,200	25,200	25,300	19,300
Cwt. milk sold per \$100 investment	15	14	14	13	14
Income per \$100 investment, dollars	85	83	83	73	88
Size of Herd per Farm					
No. of Milk Cows	32	30	34	34	31
No. of Cow Equivalents	48	49	55	50	46

^{1/} Excluding land and non-dairy buildings.

Source: Dairy Herd Improvement Association, Fluid Milk Herds, Financial Summary, 1966.

TABLE 17.- ONTARIO: FIVE ZONES, INCOME AND COST OF DAIRY PRODUCTION PER COW (FLUID MILK), FOR THE YEAR, MAY 1st, 1965 TO APRIL 30th, 1966.

Zone	I	II	III	IV	V
(No. of herds on record)	Southern (105)	Western (106)	Central (148)	Eastern (68)	Northern (87)
- dollars -					
<u>INCOME</u>					
Milk Sales and Milk Used on Farm	542	549	522	472	495
Livestock Credits	74	97	94	74	51
Gross Income	616	645	616	546	546
<u>EXPENSES</u>					
<u>A. Direct Operating Expense</u>					
Grain and Supplements	109	105	102	96	89
Roughage	120	113	125	133	123
Pasture	34	38	32	28	20
Total Feed	263	256	259	257	232
Other Dairy (Veterinary, Milker Supplies, etc.)	22	23	21	20	18
Marketing	40	43	44	32	41
Total Direct Operating Expense	325	322	324	309	291
Margin over Operating Expense	291	323	292	237	255
<u>B. Fixed Expense</u>					
Labor	89	93	95	82	108
Depreciation	25	54	24	22	22
Interest	36	5	37	37	31
Dairy General (Taxes, Insurance, etc.)	22	17	19	17	15
Total Fixed Expense	172	169	175	158	176
Total Expense (Operating plus Fixed)	497	491	499	467	467
Returns to Risk and Management	119	154	117	79	79
Gross Cost per cwt. Milk ^{1/}	4.61	4.36	4.64	4.56	5.20
Net cost per cwt. Milk ^{2/}	3.92	3.50	3.76	3.84	4.63

1/ Gross cost per cwt. milk is calculated by dividing total expenses by total milk production.

2/ Net cost per cwt. milk is calculated by dividing the difference between the total expenses and herd credit by the total milk production.

Source: Dairy Herd Improvement Association, Fluid Milk Herds, Financial Summary, 1966.

TABLE 18.- ONTARIO: FIVE ZONES: INCOME AND COST OF DAIRY PRODUCTION PER FLUID MILK HERD, FOR THE YEAR MAY 1st, 1965 TO APRIL 30th, 1966

Zone	I	II	III	IV	V
(No. of herds on record)	Southern (105)	Western (106)	Central (148)	Eastern (68)	Northern (87)
-- dollars --					
INCOME					
Milk Sales and Milk Used					
on Farm	17,320	16,458	17,728	16,062	15,345
Livestock Credits	2,368	2,897	3,195	2,513	1,572
Gross Income	19,688	19,355	20,923	18,575	16,917
EXPENSES					
A. Direct Operating Expense					
Grain and Supplements	3,475	3,139	3,478	3,262	2,749
Roughage	3,849	3,381	4,252	4,530	3,802
Pasture	1,099	1,160	1,072	930	630
Total Feed	8,423	7,680	8,802	8,722	7,181
Other Dairy (Veterinary, Milker					
Supplies, etc.)	708	690	724	684	549
Marketing	1,260	1,290	1,481	1,094	1,275
Total Direct Operating Expense	10,391	9,660	11,007	10,500	9,005
Margin over Operating Expense	9,297	9,695	9,916	8,075	7,912
B. Fixed Expense					
Labor	2,844	2,803	3,233	2,803	3,359
Depreciation	808	1,619	827	760	665
Interest	1,155	160	1,260	1,263	965
Dairy General (Taxes,					
Insurance, etc.)	692	501	626	570	477
Total Fixed Expense	5,499	5,083	5,946	5,396	5,466
Total Expense (Operating plus					
Fixed)	15,890	14,743	16,953	15,896	14,471
Returns to Risk and Management	3,798	4,612	3,970	2,679	2,446
Gross Cost per cwt. Milk ¹	4.68	4.48	4.78	4.79	5.38
Net Cost per cwt. Milk ²	3.98	3.60	3.88	4.03	4.80

1/ Gross cost per cwt. milk is calculated by dividing total expenses by total milk production.

2/ Net cost per cwt. milk is calculated by dividing the difference between the total expenses and herd credit by the total milk production.

Source: Dairy Herd Improvement Association, Fluid Milk Herds, Financial Summary, 1966.

TABLE 19.- ONTARIO: INPUT/OUTPUT ANALYSIS OF DAIRY ENTERPRISES, FOR YEARS ENDING MAY 1, 1965, 1966 AND 1967

	1965	1966	1967
No. of Herds on Records	1,183	1,073	767
<u>Output:</u>			
Milk Production per Farm, cwt.	2,782	2,978	3,099
Milk Production per cow, lbs.	10,011	10,177	10,393
Butter Fat Production per cow, lbs.	354	364	372
<u>Input:</u>			
(1) <u>Feed per Cow</u>			
Grain and Supplements, lbs.	2,833	2,970	3,165
Hay Equivalent, tons	5.2	5.2	5.4
Pasture, adjusted acres	1.7	1.6	1.6
Income over Feed cost, dollars	263	259	309
(2) <u>Man Labor</u>			
Hours per cow	95	91	90
Hours per cwt. milk	0.9	0.9	0.9
(3) <u>Capital Use</u>			
Dairy Investment ^{1/} , dollars	19,300	20,800	22,200
Cwts milk sold per \$100 investment, cwt.	14	14	14
Income per \$100 investment, dollars	71	72	78
<u>Size of Herd per Farm</u>			
No. of Milk Cows	29	30	31
No. of Cow Equivalent	46	47	48

^{1/} Excluding land and non-dairy buildings.

Source: Ontario D.H.I.A. Progress Reports, 1965, 1966 and 1967, Farm Economics, Cooperatives, and Statistics Branch in cooperation with Livestock Branch, Ontario Department of Agriculture and Food, Toronto, Ontario.

TABLE 20.- ONTARIO: INCOME AND COST OF DAIRY PRODUCTION PER MILK COW IN YEARS
ENDING MAY 1, 1965, 1966 AND 1967

Year (No. of herds on record)	1965 (1,183)	1966 (1,073)	1967 ^{1/} (767)
- dollars -			
Income:			
Milk Sales and Used on Farm	395	421	475
Herd Credit	<u>79</u>	<u>76</u>	<u>83</u>
Gross Income	474	497	558
Expenses:			
(1) <u>Direct Operating</u>			
Grain and Supplements	82	87	96
Roughage	96	117	124
Pasture	<u>33</u>	<u>34</u>	<u>32</u>
Total Feed	211	238	252
Others, Veterinary, etc.	18	19	19
Marketing	<u>30</u>	<u>31</u>	<u>35</u>
Total Direct Operating	259	288	306
Margin over operating ^{2/}	215	210	252
(2) <u>Fixed</u>			
Labor	94	94	92
Depreciation)52)56	22
Interest))	36
General: taxes, insurance, etc.	<u>17</u>	<u>17</u>	<u>18</u>
Total Fixed Expenses	163	167	168
Total Expenses	422	455	474
Returns to Risk and Management ^{3/}	52	42	84
Returns per Hour of Labor			
Gross cost per cwt. Milk ^{4/}	4.23	4.47	4.66
Net cost per cwt. Milk ^{5/}	3.43	3.72	3.85

- 1/ Preliminary.
- 2/ Gross margin equals to gross income less total direct operating expenses.
- 3/ Returns to risk and management equals to gross income less total expenses.
- 4/ Gross cost per cwt. milk is calculated by dividing total expenses by total milk production.
- 5/ Net cost per cwt. milk is calculated by dividing the difference between the total expenses and herd credit by the total milk production.

Source: Ontario D.H.I.A. Progress Report, 1965, 1966 and 1967, Farm Economics, Cooperatives, and Statistics Branch in Cooperation with Livestock Branch, Ontario Department of Agriculture and Food, Toronto, Ontario.

TABLE 21.- ONTARIO: INCOME AND COST OF DAIRY PRODUCTION PER HERD, IN YEARS ENDING MAY 1, 1965, 1966, AND 1967

Year (No. of herds on record)	1965 (1,183)	1966 (1,073)	1967 ^{1/} (767)
- dollars -			
<u>Income:</u>			
Milk Sales and Used on Farm	11,452	12,639	16,916
Herd credit	<u>2,284</u>	<u>2,281</u>	<u>3,128</u>
Gross Income	13,736	14,920	20,044
<u>Expenses:</u>			
(1) <u>Direct Operating</u>			
Grain and supplements	2,392	2,623	3,297
Roughage	2,782	3,503	3,455
Pasture	<u>940</u>	<u>1,007</u>	<u>1,103</u>
Total Feed	6,114	7,133	7,855
Others, Veterinary, etc.	532	569	689
Marketing	<u>856</u>	<u>928</u>	<u>1,158</u>
Total Direct Operating	7,502	8,630	9,702
Margin ^{2/} over Operating	6,234	6,290	10,342
(2) <u>Fixed</u>			
Labor	2,726	2,812	3,403
Depreciation	<u>1,517</u>	<u>1,678</u>	<u>791</u>
Interest			1,238
General: taxes, insurance, etc.	<u>473</u>	<u>527</u>	<u>613</u>
Total Fixed Expenses	4,716	5,017	6,045
Total Expenses	12,218	13,647	15,747
Returns to Risk and Management ^{3/}	1,518	1,273	4,297
Returns per Hour of Labor	1.55	1.49	2.82
Gross Cost per cwt. milk ^{4/}	4.39	4.58	4.64
Net cost per cwt. milk ^{5/}	3.57	3.82	3.72

- 1/ Preliminary.
- 2/ Gross margin equals to gross income less total direct operating expenses.
- 3/ Returns to risk and management equals to gross income less total expenses.
- 4/ Gross cost per cwt. milk is calculated by dividing total expenses by total milk production.
- 5/ Net cost per cwt. milk is calculated by dividing the difference between the total expenses and herd credit by the total milk production.

Source: Ontario D.H.I.A. Progress Report, 1965, 1966 and 1967, Farm Economics, Cooperatives, and Statistics Branch in Cooperation with Livestock Branch, Ontario Department of Agriculture and Food, Toronto, Ontario.

TABLE 22.- MANITOBA, DAIRY BUSINESS SUMMARY OF 5 WHOLEMILK FARMS, 1965

	Per Farm	Per Dairy Cow
No. of milk cows	22	-
No. of animal units	39	-
Improved pasture, acres	16.4	0.7
Hours of labor	2,584	117.45
Grains fed; Quantity, bushels	2,461	111.80
Value, dollars	1,772	80.52
Hay fed - Quantity, tons	141	6.40
Value, dollars	2,216	100.74
Silage feed - Value, dollars	505	22.95
Pasture - Value, dollars	281	12.76
Straw used, Value, dollars	102	4.64

Source: Beef Cattle Enterprise Analysis, compiled by S.A. Chambers, Manitoba Department of Agriculture, 1966, p. 10

TABLE 23.- MANITOBA, COST AND RETURN OF 5 WHOLE MILK DAIRY ENTERPRISES, 1965

	Per Farm	Per Dairy Cow
- dollars -		
<u>Gross Returns</u>		
Milk Sales	9,007	409.42
Products used in home	107	4.86
Cattle sales	2,029	92.23
Livestock purchases	-569	-25.86
Inventory change	-210	- 9.55
Total gross returns	10,364	471.09
<u>Feeds and Minerals</u>		
Feeds	4,876	221.63
Supplements and minerals	771	35.11
Total feeds and minerals	5,647	256.74
<u>Other Current Operating Costs</u>		
Veterinary and Medicine	167	7.53
Other misc.	410	18.65
Total other current	577	26.18
<u>Indirect and Overhead Costs</u>		
Repairs and depreciation	831	37.75
Machinery operating	388	17.62
Interest on investments	1,269	57.68
Hydro telephone, etc.	374	17.02
Total indirect and overhead	2,862	130.07
<u>Total Production Costs (excluding labor)</u>	9,086	412.99
Labor Returns	1,278	58.10

Source: Rearranged according to Dairy Business Summary, included in Beef Enterprise Analysis, compiled by S.A. Chambers, Manitoba Department of Agriculture, October, 1966, p. 10.

TABLE 24.- REGINA AREA, SASKATCHEWAN: PRODUCTION COSTS OF MILK, AVERAGE OF SEVEN FARMS, 1965

	Average per cow	Per Cwt. Milk	
		Average	Range
<u>Feed and Bedding</u>			
Pasture	\$14.38	\$0.14	\$0.08-0.26
Roughage	59.23	0.57	0.42-1.16
Silage	39.49	0.38	0-0.78
Grain	62.09	0.59	0.33-1.15
Supplements	45.23	0.43	0.24-0.83
Bedding	7.00	0.07	0.03-0.18
Total feed and bedding	227.42	2.18	1.62-3.03
<u>Direct Cash Costs</u>			
Milk haulage	\$36.07	\$0.34	0.28-0.44
Marketing fees	2.25	0.02	0.01-0.04
Supplies and misc.	11.85	0.11	0.02-0.24
Vet., Medicine and A.I.	17.16	0.16	0.06-0.30
Dairy equipment operating	22.13	0.21	0.17-0.40
Dairy building repairs	11.29	0.11	0.04-0.17
Total direct cash costs	100.75	0.95	0.82-1.10
<u>Joint Cash Costs</u>			
Electricity, phone, etc.	\$15.96	0.15	0.10-0.27
Car	12.15	0.12	0.03-0.20
Small tools and equipment	4.15	0.04	0.01-0.07
Total joint cash costs	32.26	0.31	0.21-0.42
<u>Overhead Costs</u>			
Equipment	\$23.23	\$0.22	0.13-0.38
Improvements	36.10	0.34	0.25-0.43
Herd	26.87	0.26	0.19-0.41
Feed and supplies	7.32	0.07	0.05-0.10
Total overhead	93.52	0.89	0.74-1.26
<u>Labor Charge</u>			
Total labor charge	\$125.68	\$1.20	0.99-1.72
<u>Total Gross Production Costs</u>	\$579.63	\$5.53	4.80-6.89
<u>Dairy Herd Credit Inventory Increase, Manure, etc.</u>	\$73.00	\$0.70	0.39-1.19
<u>Net Production Costs</u>	\$506.63	\$4.83	4.41-5.70

Source: Dairy Costs and Returns, Regina Area, 1965, prepared by S.H. Barber, Research Economist, Economics and Statistics Branch, Saskatchewan Department of Agriculture, Regina, June, 1966. pp. 6 and 7.

TABLE 25 - EDMONTON MILKSHED, ALBERTA DAIRY ENTERPRISE COST ANALYSIS

	1963-64	1964-65	1965-66	1966-67
Number of Farm (whole milk)	28	25	24	32
<u>Dairy Receipts per Farm</u>				
Value of Milk sales per farm	\$16,976	\$17,302	\$17,684	\$18,485
Value of milk used in house per farm	197	236	269	259
Value of credits to dairy herd per farm <u>1/</u>	<u>3,355</u>	<u>2,823</u>	<u>2,532</u>	<u>3,401</u>
Total Receipts	20,528	20,361	20,485	22,145
<u>Dairy Costs per Farm</u>				
Feed cost at farm market value (including pasture)	8,894	9,629	9,356	9,569
Labor: cost <u>2/</u>	3,531	3,559	4,487	4,477
Overhead Cost (depreciation and interest)	2,094	1,997	2,270	2,477
Other Costs (Marketing, Milkhouse supplies, etc)	<u>2,991</u>	<u>3,234</u>	<u>3,362</u>	<u>3,275</u>
Total Costs	17,510	18,419	19,475	19,798
Net Amount left for profit and management after charging custom rate per hour for dairy labor:	3,018	1,942	1,010	2,347
<u>Milk Costs per Hundredweight Basis</u>				
Feed (including all purchased and home grown and pasture charge)	2.23	2.44	2.37	2.42
Labor (dairy share of total farm labor)	0.89	0.90	1.14	1.13
Overhead Cost (depreciation and interest)	0.53	0.51	0.58	0.62
Other Costs (Marketing, Milkhouse supplies, etc)	<u>0.75</u>	<u>0.82</u>	<u>0.85</u>	<u>0.83</u>
Total gross cost per cwt. milk	4.40	4.67	4.94	5.00
Credit from herd increase (due to herd growth)	<u>0.84</u>	<u>0.72</u>	<u>0.64</u>	<u>0.86</u>
Total Net Costs per cwt. milk	3.56	3.95	4.30	4.14
Average price received per cwt. for all milk sold	4.34	4.50	4.59	4.73
Returns to management and profit per cwt. of milk	0.78	0.55	0.29	0.59
Net Cost per lb. butterfat	1.06	1.15	1.23	1.20
Receipts per lb. butterfat	1.30	1.31	1.32	1.38
Butterfat test of milk	3.34%	3.42%	3.48%	3.43%

1/ Credits to dairy herd are value of herd at the end of the year plus sales of cattle, plus cattle butchered, less value of herd at the beginning of the year and less purchase of cattle. Herd credit also covers milk fed to calves.

2/ Rate used is based on actual wages paid hired help. However, on farms which employ no hired help, the rates for all hired labor on the study applies to family and operator's time on dairy chores.

Source: Dairy Farm Business Summary on Production Costs and Earnings, Edmonton, May 1st, 1964 to April 30th, 1965; May 1st, 1965 to April 30th, 1966; May 1st, 1966 to April 30th, 1967; B.J. McBain, Supervisor, Production Economics Research Branch, Economics Division, Alberta Department of Agriculture, Edmonton, p. 4.

ALBERTA
TABLE 26 - CALGARY MILKSHED, /DAIRY ENTERPRISE COST ANALYSIS

	1963-64	1964-65	1965-66	1966-67
Number of Farms (whole milk)	28	35	27	29
<u>Dairy Receipts per Farm</u>				
Value of Milk Sales per farm	\$18,424	\$20,579	\$22,163	\$24,520
Value of milk used in house per farm	164	174	190	214
Value of credits to dairy herd per farm 1/	3,130	2,604	2,993	3,657
Total Receipts	21,718	23,357	25,346	28,391
<u>Dairy Costs per Farm</u>				
Feed cost at farm market value (including pasture)	8,837	10,584	10,814	11,113
Labor Cost 2/	3,772	3,803	5,222	4,858
Overhead Cost (depreciation and interest)	2,489	2,629	2,786	2,953
Other Costs (Marketing, Milkhouse Supplies, etc.)	3,807	4,156	4,417	4,554
Total Costs	18,905	21,172	23,239	23,478
Net amount left for profit and management after charging custom rate for dairy labor	2,813	1,941	2,107	4,913
<u>Milk Costs per Hundredweight Basis</u>				
Feed (purchased and home grown feed and pasture)	2.10	2.33	2.32	2.27
Labour (dairy share of total farm labor)	0.90	0.80	1.12	0.99
Overhead Cost (depreciation and interest)	0.59	0.58	0.60	0.60
Other Costs (Marketing, Milkhouse Supplies, etc.)	0.91	0.92	0.95	0.93
Total Gross Costs	4.50	4.72	4.99	4.79
Deduct credit from herd increase	0.74	0.57	0.64	0.75
Total Net Costs	3.76	4.15	4.35	4.04
Average price received per cwt. for all milk sold	4.44	4.59	4.80	5.04
Average returns to management & profit per cwt. of milk	0.68	0.44	0.45	1.00
Cost per pound butterfat	1.12	1.19	1.24	1.14
Receipts per pound butterfat	1.30	1.32	1.36	1.42
Butterfat test of milk (including Jersery farms)	3.40%	3.49%	3.51%	3.55%

1/ "Credits to dairy herd" are value of herd at the end of the year plus sales of cattle, plus cattle butchered, less value of herd at the beginning of the year and less purchases of cattle. Herd credit also covers milk fed to calves.

2/ Rate is based on actual wages paid hired help. However, on farms which employ not hired help, the rates for all hired labor on the study apply to family labor and operator's time on dairy chores.

Source: Dairy Farm Business Summary on Production Costs and Earnings, Calgary, May 1st, 1964 to April 30th, 1965; May 1st, 1966 to April 30th, 1966; May 1st, 1966 to April 30th, 1967, B.J. McBain, Supervisor, Production Economics Research Branch, Economics Division, Alberta Department of Agriculture, Edmonton, p.4.

TABLE 27 - BRITISH COLUMBIA, ESTIMATED COSTS OF PRODUCTION PER 100 POUNDS OF MILK AND AVERAGE RECEIPTS PER 100 POUNDS FOR 4.0 PER CENT MILK BY MILK BOARD AREAS AND OTHER PRODUCING REGIONS 1/, 1965

	Cost of Production	Cash Receipts 2/
	\$ per 100 pounds	\$ per 100 pounds
<u>MILK BOARD AREAS</u>		
Vancouver	4.30	4.94
Vancouver Island	5.10	5.83
Kamloops-Okanagan	4.35	5.13
Cariboo and Central B.C.	5.10	5.49
East Kootenay	4.35)	5.14
West Kootenay	4.50)	
<u>Other Producing Regions:</u>		
Peace River North	4.80)	5.54
Peace River South	5.20)	
Smithers	4.00	5.02

1/ Costs of production are based on average butterfat content per 100 pounds which in 1965 were as follows: Vancouver 3.9%, Vancouver Island 3.8%, Kamloops-Okanagan 3.7%, other Board areas 3.6%, and the Peace River 3.5% and Smithers 3.4%. Butterfat differential in Board areas was approximately 6.15¢ per 0.1% and 5¢ in the Peace River and Smithers regions.

2/ Receipts are based on plant delivered prices except in case of Smithers where returns are f.o.b. farm.

Source: The Dairy Industry in British Columbia, A Study Prepared at the Request of the B.C. Minister of Agriculture, Submitted by members of the Economics Branch, Canada Department of Agriculture, and B.C. Government Bureau of Economics and Statistics, September, 1966; p. 51.

TABLE 28 - CENTRAL BRITISH COLUMBIA - MILK RECEIPTS, PRODUCTION COSTS, AND OPERATOR'S LABOR AND MANAGEMENT RETURNS OF SURVEYED DAIRY FARMS, 1965

	Farm Groups According to Levels of Investment	
	\$50,000 to \$99,999	\$100,000 and over
Number of Farms ^{1/}	5	3
Milk Receipts as % Total Farm Receipts	54%	57%
Milk Receipts as % Total Current Receipts	81%	88%
Total lbs. Quota Milk Sold	334,033.	347,858.
Total lbs. Excess Milk Sold	28,462.	63,032.
Total lbs. Milk Sold	362,495.	410,890.
% of Quota Milk to Total Milk Sold	92%	85%
Lbs. Milk Sold per Cow	9,017.	8,274.
Milk Price per 100 lbs. ^{2/}	\$ 4.84	\$ 5.08
Cost per 100 lbs. of Milk Sold	\$ 4.22	\$ 4.35
Returns per 100 lbs. of Milk Sold	\$ 0.62	\$ 0.73

^{1/} 1 Low Investment farm not shown.

^{2/} Milk price at plant.

Source: The Business of Farming and Ranching, 1965, Farm Economics Division, B.C. Department of Agriculture, Victoria, September 1966, p. 73.

TABLE 29.- NORTH AND SOUTH OKANAGAN, CRESTON, BRITISH COLUMBIA - MILK RECEIPTS, PRODUCTION COSTS, AND OPERATOR'S LABOR AND MANAGEMENT RETURNS OF SURVEYED DAIRY FARMS, 1965

	Farm Groups According to Levels of Investment	
	\$50,000 to \$99,999	\$100,000 and over
Number of Farms ^{1/}	17	7
Milk Receipts as % Total Farm Receipts	57%	64%
Milk Receipts as % Total Current Receipts	85%	72%
Total lbs. Quota Milk Sold	237,193.	293,999.
Total lbs. Excess Milk Sold	45,817.	83,231
Total lbs. Milk Sold	283,010.	377,230.
% of Quota Milk to Total Milk Sold	84%	78%
Lbs. Milk Sold per Cow	9,390.	9,745.
Milk Price per 100 lbs. ^{2/}	\$ 4.96	\$ 5.06
Cost per 100 lbs. of Milk Sold	\$ 4.46	\$ 4.23
Returns per 100 lbs. of Milk Sold	\$ 0.50	\$ 0.83

^{1/} 5 Low Investment farms omitted.

^{2/} Milk Price at plant.

Source: The Business of Farming and Ranching, 1965, Farm Economics Division, B.C. Department of Agriculture, Victoria, September 1966, p. 62.

TABLE 20.- FRASER VALLEY, BRITISH COLUMBIA - MILK RECEIPTS, PRODUCTION COSTS, AND OPERATOR'S LABOR AND MANAGEMENT RETURNS OF SURVEYED DAIRY FARMS, 1965

	Farm Groups According to Levels of Investment		
	Under \$50,000	\$50,000 to \$99,999	\$100,000 and over
Number of Farms	6	21	17
Milk Receipts as % Total Farm Receipts	67%	75%	72%
Milk Receipts as % Total Current Receipts	78%	86%	89%
Total lbs. Quota Milk Sold	117,982.	237,044.	434,669.
Total lbs. Excess Milk Sold	133,292.	94,406.	133,524.
Total lbs. Milk Sold	251,274.	331,450.	568,193.
% of Quota Milk to Total Milk Sold	47%	72%	77%
Lbs. Milk sold per cow	9,452.	10,374.	11,148.
Milk Price per 100 lbs. ^{1/}	\$ 4.26	\$ 4.77	\$ 4.90
Cost per 100 lbs. of Milk Sold	\$ 3.86	\$ 4.29	\$ 4.65
Profit per 100 lbs. of Milk Sold	\$ 0.40	\$ 0.48	\$ 0.25

^{1/} Milk price at plant.

Source: The Business of Farming and Ranching, 1965, Farm Economics Division, B.C. Department of Agriculture, Victoria, September 1966, p. 50.

TABLE 31- VANCOUVER ISLAND, BRITISH COLUMBIA - MILK RECEIPTS, PRODUCTION COSTS, AND OPERATOR'S LABOR AND MANAGEMENT RETURNS OF SURVEYED DAIRY FARMS, 1965

	Farm Groups According to Levels of Investment		
	Under \$50,000	\$50,000 to \$99,999	\$100,000 and over
Number of Farms	5	15	3
Milk Receipts as % Total Farm Receipts	84%	65%	82%
Milk Receipts as % Total Current Receipts	93%	88%	91%
Total lbs. Quota Milk Sold	210,723	296,179	729,280
Total lbs. Excess Milk Sold	43,554	40,773	49,275
Total lbs. Milk Sold	254,277	336,952	778,555
% of Quota Milk to Total Milk Sold	83%	88%	94%
Lbs. Milk sold per Cow	11,938.	10,381.	10,889.
Milk Price per 100 lbs. ^{1/}	\$ 5.15	\$ 5.40	\$ 5.49
Cost per 100 lbs. of Milk Sold	\$ 4.68	\$ 5.22	\$ 5.25
Returns per 100 lbs. of Milk Sold	\$ 0.47	\$ 0.18	\$ 0.24

^{1/} Milk price at plant.

Source: The Business of Farming and Ranching, 1965, Farm Economics Division, B.C. Department of Agriculture, Victoria, September 1966, p. 38.

TABLE 3 - BRITISH COLUMBIA - REGIONAL COMPARISON OF MILK SALES AND AVERAGE COSTS OF PRODUCTION OF STERILIZED FLUID MILK, 1965

Region Level of Investment	Fraser Valley			Vancouver Island			Kootenay Division			Central B.C.		
	Under \$50,000	\$50,000- \$99,999	\$100,000 and over	Under \$50,000	\$50,000- \$99,999	\$100,000 and over	Under \$50,000	\$50,000- \$99,999	\$100,000 and over	Under \$50,000	\$50,000- \$99,999	\$100,000 and over
Number of Farms	6	21	17	5	15	5	7	5	3			
Capital Investment Man Equivalent	\$36,313 1.62	\$73,540 1.60	\$157,280 2.34	\$35,590 1.51	\$72,929 2.03	\$166,322 3.22	\$75,938 1.82	\$116,287 2.33	\$84,021 2.05	\$125,127 2.49		
No. Cows milked	27.0	32.0	51.0	21.0	32.0	42.0	30.0	39.0	40.0	50.0		
% Quota Milk to Total Milk	47%	72%	77%	83%	88%	94%	84%	78%	92%	85%		
Milk Price/100 lbs. 1/	4.26	4.77	4.90	5.15	5.40	5.49	4.76	5.06	4.84	5.06		
Cost of Production/100 lb.	3.86	4.29	4.65	4.68	5.22	5.25	4.46	4.23	4.22	4.35		
Profit/100 lb. 3/	0.40	0.48	0.25	0.47	0.18	0.24	0.50	0.83	0.62	0.73		
Selected Variable Costs 2/												
Mach. & Equip. Exp./100 lb.	0.33	0.38	0.37	0.28	0.47	0.28	0.54	0.64	0.64	0.66		
Fertilizer & Seed Exp./100 lb.	0.21	0.21	0.26	0.15	0.27	0.36	0.17	0.27	0.28	0.17		
Purchased Grain & Supp. Exp./ 100 lb.	0.96	1.31	1.06	1.59	1.64	1.50	0.77	1.11	0.77	1.39		
Forage Purchases/100 lb.	0.32	0.37	0.31	0.43	0.55	0.11	0.25	0.03	0.08	0.28		
Veterinary Expenses/100 lb.	0.04	0.07	0.08	0.06	0.10	0.06	0.08	0.09	0.12	0.04		
Misc. Livestock Exp./100 lb.	0.11	0.13	0.14	0.17	0.20	0.18	0.16	0.16	0.12	0.19		
Hired Labor Expenses/100 lb.	0.06	0.24	0.53	0.06	0.51	0.86	0.54	0.64	0.52	0.57		
Subtotal (Selected Variable Costs)	\$ 2.03	\$ 2.71	\$ 2.75	\$ 2.74	\$ 3.74	\$ 3.35	\$ 2.51	\$ 2.94	\$ 2.53	\$ 3.30		
Fixed Costs/100 lb.	\$ 1.83	\$ 1.58	\$ 1.90	\$ 1.94	\$ 1.48	\$ 1.90	\$ 1.95	\$ 1.29	\$ 1.69	\$ 1.05		
Cost of Production/100 lb.	\$ 3.86	\$ 4.29	\$ 4.65	\$ 4.68	\$ 5.22	\$ 5.25	\$ 4.46	\$ 4.23	\$ 4.22	\$ 4.35		

- 1/ Milk Price delivered at processing plant.
- 2/ Classification of variable costs and fixed costs is different for each farm and therefore is somewhat arbitrary. In this classification, fixed costs include overhead costs, investment costs, unpaid family labor costs. (Not including operator's labor.)
- 3/ Profit refers to return to operator's labor and management.

Source: The Business of Farming and Ranching, 1965, Farm Economics Division, B.C. Department of Agriculture, Victoria, September 1966, p. 27

TABLE 33.- CENTRAL BRITISH COLUMBIA - MILK RECEIPTS, PRODUCTION COSTS, AND OPERATOR'S LABOR AND MANAGEMENT RETURNS OF SURVEYED DAIRY FARMS, 1966

	Farms Grouped According to:		
	Level of Investment		Net Family
	\$50,000- \$99,999	\$100,000 and over	Farm Income Top 10%
Number of Farms ^{1/}	8	3	3
Milk Receipts as % Total Farm Receipts	60.24%	66.47%	65.28
Milk Receipts as % Total Current Receipts	80.78%	85.08%	78.78
Total lbs. Quota Milk Sold	265,196.50	429,628.33	419,571.33
Total lbs. Excess Milk Sold	25,616.87	68,634.33	14,825.00
Total lbs. Milk Sold	290,813.37	498,262.66	434,396.33
% Quota Milk to Total Milk Sold	91.19%	86.22%	96.58
Lbs. Milk Sold per Cow	9,054.81	9,708.84	9,052.17
Milk Price at Plant per 100 lbs.	5.48	5.24	5.88
Cost per 100 lbs. Milk Sold	4.09	3.84	2.59
Returns per 100 lbs. Milk Sold	1.39	1.40	3.29

^{1/} 1 low investment farm omitted.

Source: Business of Farming and Ranching, 1966, Farm Economics Division, B.C. Department of Agriculture, Victoria, September 1967, p. 89.

TABLE 34.- NORTH AND SOUTH OKANAGAN, CRESTON, BRITISH COLUMBIA - MILK RECEIPTS, PRODUCTION COSTS, AND OPERATOR'S LABOR AND MANAGEMENT RETURNS OF SURVEYED DAIRY FARMS, 1966

	Farms Grouped According to:		
	Level of Investment		Net Family
	\$50,000- \$99,999	\$100,000 and over	Farm Income Top 10%
Number of Farms ^{1/}	17	7	4
Milk Receipts as % Total Farm Receipts	60.82%	64.56%	66.35%
Milk Receipts as % Total Current Receipts	84.84%	79.75%	90.48%
Total lbs. Quota Milk Sold	205,393.11	384,331.14	451,322.50
Total lbs. Excess Milk Sold	63,509.64	67,735.85	77,717.75
Total lbs. Milk Sold	268,902.76	452,067.00	529,040.25
Quota Milk to Total Sold	76.38%	85.10%	85.30%
Lbs. Milk Sold per Cow	9,447.27	10,621.64	10,636.60
Milk Price at Plant per 100 lbs.	\$ 5.23	\$ 5.38	\$ 5.38
Cost per 100 lbs. Milk Sold	\$ 4.38	\$ 4.11	\$ 3.02
Returns per 100 lbs. Milk Sold	\$.85	\$ 1.27	\$ 2.36

^{1/} 2 low investment farms omitted.

Source: Business of Farming and Ranching, 1966, Farm Economics Division, B.C. Department of Agriculture, Victoria, September 1967, p. 76.

TABLE 35.- FRASER VALLEY, BRITISH COLUMBIA - MILK RECEIPTS, PRODUCTION COSTS, AND OPERATOR'S LABOR AND MANAGEMENT RETURNS OF SURVEYED DAIRY FARMS, 1966

	Farms Grouped According to				Net Family Farm Income Top 10%
	Level of Investment				
	Under \$50,000	\$50,000- \$99,999	\$100,000 and over		
Number of Farms	3	19	25	4	
Milk Receipts as % Total Farm Receipts	66.58	60.94	64.85	60.94	
Milk Receipts as % Total Current Receipts	81.74	82.49	81.35	76.07	
Total lbs. Quota Milk Sold	90,409.66	235,120.42	438,327.12	694,690.50	
Total lbs. Excess Milk Sold	81,094.66	115,644.47	116,031.28	165,947.25	
Total lbs. Milk Sold	171,504.32	350,764.89	554,358.40	860,637.75	
% Quota Milk to Total Milk Sold	52.71	67.03	79.06	80.71	
Lbs. Milk Sold per Cow	9,530.4	11,147.48	11,279.43	12,990.67	
Milk Price at Plant per 100 lbs.	4.92	5.04	5.23	5.18	
Cost per 100 lbs. Milk Sold	4.05	3.49	3.77	3.03	
Returns per 100 lbs. Milk Sold	0.87	1.55	1.46	2.15	

Source: Business of Farming and Ranching, 1966, Farm Economics Division, B.C. Department of Agriculture, Victoria, September 1967, p. 62.

TABLE 36.- VANCOUVER ISLAND, BRITISH COLUMBIA - MILK RECEIPTS, PRODUCTION COSTS, AND OPERATOR'S LABOR AND MANAGEMENT RETURNS OF 20 SURVEYED DAIRY FARMS, 1966

	Farms Grouped According to:		
	Level of Investment		Net Family Farm Income Top 10%
	\$50,000- \$99,999	\$100,000 and over	
Number of Farms	14	4	4
Total Milk Receipts:	20,312.00	46,119.00	47,306.00
% Milk Receipts to Total Receipts	70.82	55.30	57.49
% Milk Receipts to Total Current Receipts	85.83	86.45	87.80
Total lbs. Quota Milk Sold	310,919.92	734,273.50	737,401.50
Total lbs. Excess Milk Sold	31,814.64	20,370.75	42,958.00
Total lbs. Milk Sold	342,734.56	754,644.25	780,359.50
% Quota to Total Milk Sold	90.71	97.30	94.49
Lbs. of Milk Sold per Cow	10,433.67	11,059.84	11,871.56
Milk Price at Plant per 100 lbs.	5.92	6.11	6.06
Cost per 100 lbs. of Milk Sold	5.03	3.25	3.61
Returns per 100 lbs. of Milk Sold	.89	2.86	2.45

Source: Business of Farming and Ranching, 1966, Farm Economics Division, B.C. Department of Agriculture, Victoria, September 1967, p. 47.

TABLE 37. - BRITISH COLUMBIA - REGIONAL COMPARISON OF PRODUCTION COSTS, MILK RECEIPTS AND GROSS MARGIN OF SURVEYED DAIRY FARMS, 1966

Level of Investment	Fraser Valley			Vancouver Island			Okanagan - Creston			Central B.C.		
	\$50,000-\$99,999	\$100,000 and over		\$50,000-\$99,999	\$100,000 and over		\$50,000-\$99,999	\$100,000 and over		\$50,000-\$99,999	\$100,000 and over	
Number of Farms	19	25	14	4	17	7	8	3				
Total Capital Investment	80,427	162,423	76,912	156,572	76,774	124,832	81,069	127,266				
Man Equivalents	1.55	2.21	2.04	3.04	1.64	2.48	1.72	2.55				
Total Improved Acres	59.36	107.88	77.50	176.00	88.64	126.85	239.87	351.66				
Number of Dairy Cows	32	49	33	68	29	43	32	52				
Lbs. of Milk Produced/Cow	11,148	11,280	10,433	11,060	9,447	10,621	9,055	9,709				
% Quota Milk to Total Milk	67%	79%	91%	97%	76%	85%	91%	86%				
Net Family Farm Income	9,331	16,796	6,965	25,400	6,237	12,196	8,805	12,798				
Milk Receipts per Cow	561.86	589.94	617.63	675.77	494.08	571.41	496.21	508.75				
Milk Receipts per 100 lbs. 1/	5.04	5.23	5.92	6.11	5.23	5.38	5.48	5.24				
Cost of Production/100 lbs.	3.49	3.77	5.06	4.54	4.38	4.11	4.09	3.84				
Returns per 100 lbs. 2/	1.55	1.46	0.86	1.57	0.85	1.27	1.39	1.40				
Variable Cost per Cow:												
Machinery & Equipment	35.67	49.63	50.08	40.92	46.29	44.61	57.05	51.46				
Fertilizer and Seed	24.53	27.07	30.26	38.71	20.78	19.12	30.79	28.16				
Purchased Grain & Supplement	125.97	117.31	171.10	161.48	97.36	128.51	69.72	107.77				
Forage Purchases	30.10	16.92	63.64	14.38	36.84	19.12	5.43	13.59				
Veterinary & Medicine	7.80	7.90	10.43	12.17	9.45	10.62	14.49	12.62				
Misc. Livestock	15.61	16.92	25.04	26.54	16.06	29.74	8.15	7.77				
Hired Labor	42.36	64.30	55.28	92.90	39.68	109.40	50.71	58.25				
Herd Replacement	27.87	46.25	66.77	66.36	-34.01	53.10	-58.86	22.33				
Total Variable Cost/Cow	309.91	346.30	472.60	453.46	231.45	414.22	177.48	301.95				

continued

TABLE 37 - BRITISH COLUMBIA - REGIONAL COMPARISON OF PRODUCTION COSTS, MILK RECEIPTS AND GROSS MARGIN OF SURVEYED DAIRY FARMS, 1966
(continued)

Level of Investment	Fraser Valley		Vancouver Island		Okanagan - Creston		Central B.C.	
	\$50,000-\$99,999	\$100,000 and over	\$50,000-\$99,999	\$100,000 and over	\$50,000-\$99,999	\$100,000 and over	\$50,000-\$99,999	\$100,000 and over
Variable Costs per 100 lbs.								
Machinery	.32	.44	.48	.37	.49	.42	.63	.53
Fertilizer & Seed	.22	.24	.29	.35	.22	.18	.34	.29
Purchased Grain & Suppl.	1.13	1.04	1.64	1.46	1.02	1.21	.77	1.11
Forage Purchases	.27	.15	.61	.13	.39	.18	.06	.14
Veterinary & Medicine	.07	.07	.10	.11	.10	.10	.16	.13
Misc. Livestock	.14	.15	.24	.24	.17	.28	.09	.08
Hired Labor	.38	.57	.53	.84	.42	1.03	.56	.60
Herd Replacement	.25	.41	.64	.60	-.36	.50	-.65	.23
Total Variable Cost/100 lbs.	2.78	3.07	4.53	4.10	2.45	3.90	1.96	3.11
Gross Margin ^{2/} - per Cow	251.25	243.64	145.03	222.31	262.63	157.19	318.73	206.80
Gross Margin - per 100 lbs.	2.26	2.16	1.39	2.01	2.78	1.48	3.52	2.13

- 1/ Milk price delivered at processing plants.
- 2/ Refers to return to operator's labor and management.
- 3/ Gross margin is milk receipts minus variable costs.

Source: Business of Farming and Ranching, 1966, Farm Economics Division, B.C. Department of Agriculture, Victoria, September 1967, pp. 29-30.

